types of small borrowers, without hassles and with a simplified procedure, is being examined by the Reserve Bank of India.

Service tax on future premium of LIC

2961. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the existing life insurance policies which have been taken before imposition to service tax are also attracted to pay the service tax on their future premia;

(b) whether this move will not hit over 15 crores policy holders badly; and

(c) if so, how Government are contemplating to remedy them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Service tax is leviable on taxable services provided or to be provided on the gross amount charged for such taxable services. In terms of the provisions of the Finance Act, 1994 service tax is payable on premia paid on the new/existing life insurance policies.

(b) and (c) Does not arise in view of (a) above.

Expansion of banking operations abroad

2962. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken a decision for selected Public Sector Banks to have foreign operations and expand its activities abroad; and

(b) if so, how many banks have been identified to start banking operations abroad?